

State of South Dakota

SEVENTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2001

636E0367

SENATE TAXATION COMMITTEE ENGROSSED NO. **SB 101** - 01/31/2001

Introduced by: Senators Staggers, Apa, and Koetzle and Representatives Teupel, Begalka, Hennies (Don), Kooistra, McCoy, and Monroe

1 FOR AN ACT ENTITLED, An Act to require sales and use tax paid to be deducted from the
2 gross receipts to determine the contractors' excise tax.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-46A-4 be amended to read as follows:

5 10-46A-4. For the purpose of this chapter, the term, gross receipts, means the amount
6 received directly or indirectly in money, credits, property, or other money's worth in
7 consideration of the performance of realty improvement contracts within this state, without any
8 deduction on account of the cost of the property sold, the cost of materials used, the cost of
9 services or labor purchased, amounts paid for interest or discounts or any other expenses
10 ~~whatsoever, nor may any, except a deduction shall be made by the contractor for any sales or use~~
11 taxes paid pursuant to chapters 10-45, 10-46, and 10-52. No deduction may be allowed for any
12 losses. Gross receipts include those materials furnished to the prime contractor or subcontractor
13 by the owner or the lessee of the realty improvement. For the purposes of measuring the tax
14 imposed by this chapter, gross receipts include the greater of the cost or fair market value of

1 materials used by a contractor or subcontractor in the performance of a contract regardless of
2 ~~whether~~ if the contractor or subcontractor owns or furnishes the materials.

3 Section 2. That § 10-46B-4 be amended to read as follows:

4 10-46B-4. For the purpose of this chapter, the term, gross receipts, means the amount
5 received in money, credits, property, or other money's worth in consideration of the performance
6 of realty improvement contracts within this state, without any deduction on account of the cost
7 of the property sold, the cost of materials used, the cost of services or labor purchased, amounts
8 paid for interest or discounts, or any other expenses ~~whatsoever, nor shall any, except a~~
9 deduction shall be made by the contractor for any sales or use taxes paid pursuant to chapters
10 10-45, 10-46, and 10-52. No deduction may be allowed for any losses.